Moving Mountains Reserves & Investment Policy

1. Purpose and Scope

This policy sets the rules for maintaining financial reserves and managing surplus funds for Moving Mountains Trust. It balances two critical needs:

- Ensuring the charity has enough cash to survive unexpected drops in income or global emergencies.
- Making sure donor funds are actively spent on project commitments with our direct-implementation NGO partners in Kenya and Nepal, rather than sitting unused in bank accounts.

This policy applies directly to the Board of Trustees, who hold ultimate responsibility for the charity's financial stability.

2. Legal and Regulatory Framework

This policy complies with standard UK charity governance rules and the following legal guidelines:

- **Northern Ireland:** The Charities Act (Northern Ireland) 2008 and the Charity Commission for Northern Ireland (CCNI) guidance *Charities and Reserves (CC38)*.
- **Accounting Standards:** Statement of Recommended Practice (SORP) for charities with annual incomes under £250,000.

3. Reserves Policy

3.1 Definition of Reserves

- **Reserves** refer to the charity's "unrestricted funds" that are freely available to spend on any of its charitable purposes.
- It strictly **excludes** restricted funds (money given by donors for a specific project in Kenya or Nepal), designated funds (money set aside by trustees for a specific future purpose), and fixed assets (like laptops or office equipment).

3.2 Target Reserves Level

- The Board of Trustees has determined that the charity must hold a minimum reserve equivalent to **3 months of core operational running costs**, and a maximum of **6 months**.

- Based on an income under £250,000, this target range will be reviewed annually and calculated to cover:
  - Essential UK administration overheads (insurance, software, compliance).
  - Contractual emergency close-out or exit costs for ongoing field projects in Kenya or Nepal.
  - Essential staff or volunteer repatriation funds in the event of an overseas crisis.

3.3 Accessing and Rebuilding Reserves

- **Authorization:** Reserves can only be drawn down with the written approval of the Treasurer and the Chair of Trustees, which must be formally recorded at the next Board meeting.
- **Justification:** Reserves may only be used to bridge temporary cash flow gaps, cover an unexpected drop in donor income, or respond to an immediate humanitarian crisis affecting our partners in Kenya or Nepal.
- **Rebuilding Plan:** If reserves fall below the 3-month minimum, the Board must implement a recovery plan within 6 months to rebuild the funds through targeted fundraising or cost reduction.

4. Investment Policy

4.1 Investment Objectives and Risk Appetite

Given our annual income of under £250,000 and our commitment to international projects, the charity adopts a **low-risk, highly liquid (capital preservation)** investment strategy.

- The primary goal is to protect the cash value of the charity's funds.
- Generating a high financial return is a secondary priority.

4.2 Authorized Investment Channels

Surplus unrestricted funds and reserves must only be held in the following low-risk accounts:

- **Ulster Bank or CAF Interest-Bearing Deposit Accounts** (or equivalent UK regulated tier-1 banks).
- **UK Government National Savings and Investments (NS&I)** charity accounts.
- Multi-currency buffers held temporarily within our verified **Wise Business account** to mitigate sudden foreign exchange fluctuations for Kenya (KES) or Nepal (NPR).

4.3 Prohibited Investments

The charity is strictly prohibited from investing donor or reserve funds in high-risk or volatile assets, including:

- Public stocks, shares, or equities.
- Cryptocurrencies or digital assets.
- Property or real estate investments.
- Speculative foreign currency trading outside of standard project remittance needs.

5. Ethical Investment Principles

Even when holding short-term cash deposits, the charity aligns its finances with its global mission.

- To protect our relationships and values in Kenya and Nepal, the Board will avoid holding funds with financial institutions or financial schemes that heavily invest in industries linked to human rights abuses, modern slavery, environmental degradation, or arms manufacturing.

6. Monitoring, Reporting, and Public Disclosure

6.1 Monitoring and Review

- The Treasurer will provide a financial update at every Board meeting detailing the exact level of reserves held.
- This policy, including the specific target reserve amount, will be reviewed and signed off annually by the Board of Trustees to reflect changing operational costs.

6.2 Public Disclosure (CCNI Compliance)

- In line with Northern Irish charity law, the charity's annual Trustees' Report must clearly state:
  - The exact level of reserves held at the end of the financial year.
  - The clear policy justification for holding that specific amount.
  - An explanation of any significant deviations from the targets set out in this document.

7. Review

The Board of Trustees will review this policy every two years, or earlier if legislation, CCNI guidance or the charity's activities change.